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**PSC APPROVES CLAIMS, PAYMENTS IN ALVO GRAIN CLOSURE**

LINCOLN – Claims and payments in the closure of Alvo Grain and Feed have been approved by the Nebraska Public Service Commission.

Successful claims on the grain warehouse side of the operation will be paid in full from the Commission's sale of corn and soybeans that were in storage on April 4 when the Commission closed Alvo Grain and Feed's two locations at Alvo and Ashland. Successful grain dealer claims will be paid on a pro rata basis from the \$300,000 bond.

Alvo Grain voluntarily surrendered its grain warehouse and grain dealer licenses on April 4 and immediately filed bankruptcy. An examination made by the Commission in late 2007 did not show evidence of financial problems.

The Commission conducted a June 25 hearing at the Cass County Fairgrounds near Manley to take testimony on grain warehouse and grain dealer claims. The Commission sold grain that was on hand at the two locations and that money was used to satisfy grain warehouse claims. The final amount on the grain warehouse side of the operation is still undetermined. The Commission is working with Alvo Grain's insurance carrier on the collapse of a bin containing grain during load outs following the Commission's possession of the commodities.

The Commission said it would not be necessary to use a bond taken out by Alvo Grain on the warehouse operation. Proceeds not used to pay producers and cover other costs provided by law will be placed in a trust for the federal bankruptcy court.

The grain dealer bond, on the other hand, is the only source of revenue to pay claimants. State law provides that a grain dealer the size of Alvo Grain and Feed is required to post a \$300,000 bond. It will not meet the demands of successful claimants. Payments on the grain dealer side of the operation will be paid on a pro rata basis.

Third District Commissioner Tim Schram of Gretna, chairman of the hearing, said a critical factor in determining eligibility for payments is a 30-day window following the last delivery on the contract or the receipt of a check. Also, claimants on the grain

warehouse operations had five business days to cash any checks that had been written by Alvo Grain prior to the closure.

Schram said the Commission followed state law in determining which producers had valid claims and the amounts to be paid on both the grain warehouse and grain dealer licenses.

Producers will have a limited time to appeal the decision of the Commission to state courts. If no appeals are filed, payments will be made after all appeal deadlines have expired and the department has completed a lien search with the Secretary of States' Office.

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